

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE:  U S WEST COMMUNICATIONS, INC., n/k/a QWEST CORPORATION	DOCKET NOS. INU-00-2 SPU-00-11 NOI-98-1
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**CONDITIONAL STATEMENT REGARDING QWEST COMMUNICATIONS'  
OSS EVALUATION AND ORDER CLOSING INQUIRY DOCKET**

(Issued June 10, 2002)

On February 10, 2000, the Utilities Board (Board) issued an order initiating an investigation relating to the possible future entry of U S WEST Communications, Inc., n/k/a Qwest Corporation (Qwest), into the interLATA market. The investigation was identified as Docket No. INU-00-2.

On April 19, 2002, KPMG Consulting (KPMG) and Hewlett-Packard Consulting (HP) released a draft final report on Qwest's operations support systems (OSS). Qwest filed a summary on May 3, 2002, of one observation and five exceptions that it had elected to take as "closed/unresolved" with explanations related to each instance. This filing included Exceptions 3055, 3061, and 3086. On May 6, 2002, the Board issued a "Request for Comments Regarding Closed/Unresolved Observation and Exceptions in the ROC OSS Test."

KPMG and HP are consultants hired by the Regional Oversight Committee (ROC) to conduct the test of Qwest's OSS. The consultants issued a joint final report

on Qwest's OSS evaluation on May 28, 2002. As noted in a news release dated May 29, 2002:

This final report represents the culmination of a collaborative effort spanning two and a half years and is the last major deliverable product from the vendors on this test. The final report included refinements made to the draft final report, issued on April 19<sup>th</sup>, based on the completion of all re-testing. Clarifications resulting from a technical conference, held in Denver May 14-16 to address questions from the parties on the draft report, have also been included in this final report. The Final Report is available on the ROC web site at: [http://www.nrri.ohio-state.edu/oss/master/kpmg\\_final-final/final-final\\_report.htm](http://www.nrri.ohio-state.edu/oss/master/kpmg_final-final/final-final_report.htm)

As explained by Qwest in its May 3, 2002, filing, during the ROC OSS test, the test vendors issued observations and exceptions when situations were encountered that could, without explanation or further testing, result in negative findings in a final report. Observations identified questions or potential deficiencies that could, on further investigation, contribute to negative findings. Exceptions identified deficiencies that would result in negative findings if left unresolved.

When the ROC OSS test was established, the parties agreed that Qwest be permitted to request that any observation or exception be closed in an "unresolved" status when Qwest determined that further modification and testing would not be productive.

Qwest argues that the status of these closed/unresolved observations and exceptions are inconsequential as demonstrated through additional evidence and as such should not affect the Board's ability to conclude that Qwest's OSS satisfies the requirements of 47 U.S.C. 271(c)(2)(B)(ii).

On May 10, 2002, AT&T Communications of the Midwest, Inc., and AT&T Local Services (AT&T) filed its comments on the closed/unresolved observations and exceptions. A discussion of three of the exceptions, 3055, 3061, and 3086, follows.

### **Exception 3055**

Test 18 covered End-to-End Trouble Report Processing. This was a measure of maintenance and repair service. KPMG found that Qwest used inaccurate Disposition and Cause (D/C) codes for Plain Old Telephone Service (POTS) Resale and UNE-P orders.

These D/C codes, or close out codes, are entered by Qwest field technicians, screeners, or dispatchers when closing out a repair ticket. They are used to analyze the network, identify trends, and troubleshoot and repair potential problem areas. The D/C codes consist of four digits. The first two identify the internal Qwest department or equipment category that experienced the trouble. The second two digits identify more specifically the group or equipment component within the broader category that experienced the trouble.

The initial test placed 201 faults, of which 124 returned with the result expected by KPMG. This equates to only 61.7 percent of the faults accurately reflecting the cause. This fell short of the agreed upon 95 percent standard.

Qwest argued, and KPMG agreed, that 24 of the 77 missed codes included in that calculation were indeed correct. Qwest further stated it increased the frequency of internal audits and expanded the scope of the FCC SAVER audits in order to

improve the D/C code accuracy levels. However, this still did not result in the 95 percent benchmark being met and a retest was required. The retest showed Qwest accurately coding 108 of 122 circuits, equating to a result of 88.5 percent.

AT&T points out that The Liberty Consulting Group (Liberty) found similar problems with Qwest personnel which was documented as Observation 1028. Thus, two separate auditors found problems with how D/C codes were assigned to trouble tickets. AT&T does not believe Qwest is taking the appropriate corrective actions and the reported results are unreliable and not to be trusted.

Qwest points out that no performance indicator definition (PID) was set by the Technical Advisory Group (TAG) for close out accuracy. Further, Qwest indicated that it could not provide commercial performance results in lieu of test results.

Qwest notes, the trouble tickets also have a narrative field. This field is used to describe the trouble. This field is always completed and often shows greater specificity than the D/C codes can do.

According to Qwest's filing, accurate D/C codes were not used on 14 accounts in the retest. However, five of these were inaccurate in only the last two digits and all but six had accurate information in the narrative field. This would bring the number of acceptable results to 116 of 122 accounts (95.08%) and satisfy the CLEC's needs.

Additional training for the technicians has been implemented. An additional internal audit process has been started. The audit reviews two or more trouble tickets per technician and a total of approximately 1300 tickets are reviewed monthly.

The Board finds Qwest's performance has improved from the first test to the retest. The narrative portion of the trouble ticket should provide more background to the cause of the trouble. However, it appears that Qwest should continue reviewing its training program in order to ensure its personnel continue to use proper D/C codes. However, the Board does not see this exception as one that is of such significance that it should cause it to conclude that Qwest's OSS is not adequate.

Exception 3055 does not preclude Qwest from a showing of Section 271 compliance.

#### **Exception 3061**

The PID PO-5B established a benchmark for the receipt of Firm Order Commitments (FOCs) on Non-Flow-Through Resale PBX orders. This benchmark was set at 90 percent for Qwest to provide FOCs within 48 hours of order submission, whenever the orders are for 24 trunks or less. The PID is further divided by how the order is received, PO-5B-1 for IMA-GUI and PO-5B-2 for IMA-EDI. All involve manual processing.

These FOCs are the notices Qwest returns to CLECs to confirm that CLEC Local Service Requests (LSRs) have been received and that an appropriate service order, with an associated due date, has been set.

The original test showed Qwest returning 28 of 39 (72 percent) Resale PBX orders within 48 hours. The retest showed 11 of 13 (85 percent) Resale PBX orders being returned within 48 hours.

AT&T indicated that responses provided by Qwest as well as KPMG's findings show that Qwest cannot provide CLECs with resale PBX services in a manner allowing for a meaningful opportunity to compete. According to AT&T, Qwest should not be allowed to mix the low volume of resale results with hundreds of other resale orders.

Qwest noted that Resale PBX orders is not a listed disaggregation under PO-5B and indicated that these Resale orders should be reported in the aggregate rather than on a product-or service-specific basis. The parties agreed to this PID formulation. KPMG departed from this formulation as well as the approach the FCC has accepted in its section 271 orders.

According to Qwest's filing, it met the benchmark in the aggregate for both PO-5B-1 and PO-5B-2 in the OSS test. The Resale PBX product was the only product not meeting the 90 percent standard. A one-time processing error was encountered in the original test, which Qwest declares has been corrected. The retest indicated results that were close to the benchmark.

Lastly, Qwest reports the commercial performance for Iowa shows Qwest exceeding the PO-5B benchmark with respect to Resale orders in each of the past nine months (through March 2002).

The OSS test was initially designed around Version 3.0 of the Working PID. This PID states the product reporting to be disaggregated based on (a) resale services and UNE-P (POTS), (b) Unbundled Loops and specified Unbundled Network

Elements, and (c) LNP for PO-5B as well as PO-5A and PO-5C. Thus, KPMG reported the results correctly.

There are extremely low numbers of these types of orders being submitted. Thus, Qwest's results on the retest, while not meeting the benchmark, are close to it. Exception 3061 does not preclude Qwest from a showing of section 271 compliance.

### **Exception 3086**

Exception 3086 relates to PID OP-4C. It evaluates the timeliness of Qwest's installation of services for customers, focusing on the average time to install service. It requires parity with Qwest's Retail operations. In particular, Qwest did not meet the non-dispatch Business POTS in the Eastern Region or for non-dispatch UNE-P in all regions.

AT&T avers that the results show Qwest using discriminatory practices. The standard interval for virtually all UNE-P POTS orders is three business days.<sup>1</sup> Many retail POTS orders where the installation does not require a dispatch can have a standard interval of the next business day.

Qwest asserts that it met all other OP-4 requirements for all other product categories in all regions during the test. Qwest's commercial performance in Iowa shows that Qwest is capable of meeting the required parity standard. This standard

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<sup>1</sup> Qwest Communications, Service Interval Guide for Resale and Interconnection Services, April 18, 2002, pp. 10-11.

was met in Iowa for Business POTS in three of the past four months (ending March 2002), as well as in six of the past seven months.

Qwest admits the commercial performance concerning non-dispatch UNE-P is not as strong. The parity standard was missed in three of the past four months. However, the difference between Qwest's Retail and Wholesale performance never exceeded one day and the performance is improving monthly.

The FCC has found that meeting performance standards in three of four months to be Section 271 compliant.<sup>2</sup> In addition, the FCC has overlooked earlier performance discrepancies when the most recent performance has been satisfactory.<sup>3</sup>

Qwest is correct in its statement that actual performance trumps test results in the minds of the FCC. The commercial performance is indeed better than the test results, perhaps as a result of correcting problems uncovered in the test. Qwest should also review its Service Interval Guide and synchronize the standard intervals listed there with those stated in the PIDs.

Exception 3086 does not preclude Qwest from a showing of Section 271 compliance.

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<sup>2</sup> See, e.g., *Application of Verizon New England Inc., et al., for Authorization to Provide In-Region, InterLATA Services in Massachusetts*, CC Docket 01-9, *Memorandum Opinion and Order*, 16 FCC Rcd 8988 (2001) ("*Massachusetts 271 Order*") at 9039, n.296.

<sup>3</sup> See, e.g., *Massachusetts 271 Order*, 16 FCC Rcd at 9038, n.291.

**Docket No. NOI-98-1**

On July 23, 1998, the Board issued an order initiating an inquiry to investigate issues related to nondiscriminatory access by CLECs to the OSS of the state's two largest incumbent local exchange carriers, U S WEST Communications, Inc., n/k/a Qwest Corporation, and GTE Midwest Incorporated, predecessor to Iowa Telecommunications Services, Inc., d/b/a Iowa Telecom. With the conclusion of the ROC OSS test and the issuance of the final report by KPMG and HP, there is no need to retain the inquiry docket. This docket will be closed.

**IT IS THEREFORE ORDERED:**

1. Docket No. NOI-98-1 is closed.
2. Any responses to this statement and all future filings and Board orders or statements in this docket must be filed no later than close of business on the third business day following the filing or issuance.

**UTILITIES BOARD**

/s/ Diane Munns

/s/ Mark O. Lambert

ATTEST:

/s/ Sharon Mayer  
Executive Secretary, Assistant to

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 10<sup>th</sup> day of June, 2002.